



LISA M. GARRETT  
DIRECTOR OF PERSONNEL

## COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS  
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# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 September 4, 2018

CELIA ZAVALA  
ACTING EXECUTIVE OFFICER

September 04, 2018

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

### **AMENDMENT NUMBER FOUR TO CONTRACT #78079 FOR EMPLOYEE DRUG AND ALCOHOL TESTING PROGRAM SERVICES ADMINISTRATION (ALL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

The Department of Human Resources (DHR) currently contracts with American Substance Abuse Professional Drug Solutions, Inc. (ASAP) for employee drug and alcohol testing program services. DHR also has current master agreements with clinics throughout the County for occupational health medical examinations and occupational health mobile medical examinations. DHR is presently working on a solicitation for a single master agreement to procure a network of clinics that will provide all of the services delivered under the current drug testing contract and occupational health master agreements in order to improve service delivery and cost efficiency.

This Board letter requests an extension of the ASAP Employee Drug and Alcohol Testing Program Services contract in order to align its expiration with the occupational health medical exam master agreements in the consolidated master agreement solicitation.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and instruct the Director of Personnel, or her designee, to execute a contract amendment, substantially similar to Attachment 1, that extends the contract term for one-year effective December 31, 2018 through December 31, 2019, and provides an additional one-year optional term period through December 31, 2020, for the provision of employee alcohol and drug testing services with ASAP, Contract Number 78079, and increases the total contract maximum obligation by \$184,000, for a contract total maximum obligation of \$644,000 through December 31,

2020.

2. Delegate authority to the Director of Personnel, or her designee, to execute the additional one-year term option, extending the contract term through December 31, 2020.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Board approval will amend the ASAP contract to extend the agreement through December 31, 2019 to: 1) ensure continuation of the County's federally mandated employee drug and alcohol testing program for its commercial drivers as well as periodic wellness exams and random and reasonable suspicion drug and alcohol testing for County employees; and 2) align the expiration date with other Master Agreements so that DHR may complete a single competitive solicitation for all services, in accordance with County contracting rules and policies.

The ASAP contract for employee drug and alcohol testing program services administration will expire on December 31, 2018. The County also receives services for occupational health medical examinations under two Master Agreements which are expiring on December 31, 2019. Based on a review of services provided to the County under contracts administered by DHR Occupational Health Programs, it was determined that it would be in the County's best interest to obtain employee drug and alcohol testing program services and occupational health medical examinations through a single master agreement in order to improve service delivery and cost efficiency. This requested approval of extension of the expiration date of the ASAP contract will align the expiration dates of the three contract/master agreements to allow the issuance of a single solicitation for services.

#### **ASAP Contract Services**

The U.S. Department of Transportation (DOT) requires pre-employment drug testing, as well as random and post-accident drug and alcohol testing of employees who carry a commercial driver's license. Since its inception in 1995, the County has utilized a third-party administrator for administration of the program. The Contractor oversees a network of specimen collection facilities located in various geographical areas within the County. An estimated 1,000 annual random, reasonable suspicion and post-rehabilitation follow up DOT tests will be handled through this contract.

#### **Master Agreements for Occupational Health Medical Examinations**

Two master agreements provide services critical to comply with Federal and state regulatory requirements for periodic employee exams for commercial drivers and for potential work exposures (such as noise, asbestos, hazardous materials, etc.), and with terms of a negotiated labor contract to provide periodic wellness exams for positions such as Firefighter and Ocean Lifeguard. These master agreements provide in-clinic and/or mobile delivery of 1) pre-placement medical examinations of applicants for County positions, 2) periodic employee medical examinations as required by the State of California Occupational Safety and Health Administration, and the Department of Motor Vehicles, 3) Return-to-Work "Fitness for Duty" evaluations, and 4) employee wellness examination and evaluation services.

### **Implementation of Strategic Plan Goals**

The recommended actions support the County's Strategic Plan Goal 1, Operational Effectiveness,

providing timely and cost-effective services to the County, and strengthening its loss prevention program.

### **FISCAL IMPACT/FINANCING**

The contract maximum will be increased by \$92,000 for each of the two year optional extension periods increasing the current contract maximum of \$460,000 to a total contract maximum of \$644,000. The contract does not guarantee a minimum amount of business, and the Department will only accrue an obligation when work is performed. Services are used on an as-needed basis. Costs resulting from this agreement vary each year based on department usage and are not expected to exceed an estimated annual cost of \$92,000. Expenses incurred are fully offset by billings to County departments utilizing the services. Funding is included in the FY 2018-19 Final Budget, and funding for subsequent years will be included in each fiscal year budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On December 3, 2013, the Board approved the contract for employee drug and alcohol testing program services administration and delegated authority to the Chief Executive Office or designee to execute all extension options. The Chief Executive Office has been contracting third-party administration services for employee drug and alcohol testing to comply with DOT requirements and non-DOT County policy since the program's inception.

The attached amendment has been approved as to form by County Counsel.

These services are exempt from Proposition A requirements as the contracted services are needed on a part-time and intermittent basis.

### **CONTRACTING PROCESS**

The contract resulted from a competitive solicitation, and was executed by CEO with the Contractor pursuant to the Board's December 3, 2013 approval of the Contract and delegated authority to CEO. Pursuant to the March 29, 2016 Board-approved realignment of County functions, responsibility for administration of the Plan was transferred from CEO to DHR.

Sole source notification for extending this contract was provided to the Board on June 15, 2018 (Attachment 2). DHR is currently working on a solicitation for a single master agreement to procure a network of clinics to provide all the services delivered under the current contract and above described master agreements.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this amendment will enable the County to continue to maintain its employee drug and alcohol testing program.

### **CONCLUSION**

The Honorable Board of Supervisors

9/4/2018

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Please return three (3) adopted copies of this Board letter to DHR. It is requested that the Executive Officer notify Darolyn R. Jensen, Administrative Deputy at (213) 974-2515 when the documents are available.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa M. Garrett". The signature is fluid and cursive, with a large initial "L" and "G".

LISA M. GARRETT

Director of Personnel

LMG:EP:MGM

DRJ:MA:tdb

Enclosures

c: Executive Office, Board of Supervisors  
Chief Executive Office  
County Counsel

## **AMENDMENT NUMBER FOUR**

### **CONTRACT BETWEEN COUNTY OF LOS ANGELES AND AMERICAN SUBSTANCE ABUSE PROFESSIONAL DRUG SOLUTIONS, INC. FOR EMPLOYEE DRUG AND ALCOHOL TESTING PROGRAM SERVICES/ADMINISTRATION**

#### **CONTRACT NO. 78079**

**THIS AMENDMENT NUMBER FOUR** to the Contract for the provision of Employee Drug and Alcohol Testing Program Services/Administration is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by and between the County of Los Angeles (hereinafter "County") and American Substance Abuse Professional Drug Solutions, Inc. (hereinafter "Contractor").

**WHEREAS**, on December 3, 2013, the County Board of Supervisors ("Board") entered into this Contract with the Contractor for Employee Drug and Alcohol Testing Program Services/Administration (hereafter referred to as "Contract"); and

**WHEREAS**, the Board approved the original term of the Contract for three (3) years, effective January 1, 2014 through December 31, 2016, with up to two (2) additional one-year periods for a maximum total Contract term of five (5) years and delegated authority to the Chief Executive Officer or his designee to execute all extension options; and

**WHEREAS**, on March 29, 2016, the Board delegated authority to the Chief Executive Officer or designee to execute amendments to transfer authority to the County Department of Human Resources (DHR) Director or her designee for the administration and management of contracts; and

**WHEREAS**, on May 17, 2016, the County and Contractor executed Amendment Number One, amending Contract Subsection 8.1, Amendments and Change Notices, and references to Chief Executive Office and CEO to Department of Human Resources and DHR; and

**WHEREAS**, on October 27, 2016, the County and Contractor executed Amendment Number Two, executing the first option to extend the Contract term for one (1) additional one-year period. The extended term of the Contract was from January 1, 2017 through December 31, 2017; and

**WHEREAS**, on December 6, 2017, the County and Contractor executed Amendment Number Three, executing the second option to extend the Contract term for one (1) additional one-year period. The extended term of the Contract is from January 1, 2018 through December 31, 2018; and

**WHEREAS**, on December 31, 2018, this Contract will expire and the County and Contractor desire to extend the current contract term; and

**WHEREAS**, Paragraph 4.0, Term of Contract, and Subparagraph 8.1.3 of Paragraph 8.1, Amendments and Change Notices, of the Contract provide that for any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by the County's DHR Director of Personnel or designee as authorized by the County's Board of Supervisors.

**NOW THEREFORE**, it is mutually agreed between the County and Contractor that the Contract be amended as follows:

1. This Amendment Four shall commence and be effective upon Board of Supervisors approval with such date reflected on page one of this Amendment Four.
2. Subparagraph 4.2 of Paragraph 4 (Term of Contract) of the Contract is deleted in its entirety and replaced as follows:

"4.2 The County shall have the sole option to extend this Contract term for up to four (4) additional one-year periods for a maximum total Contract term of seven (7) years. Each such option and extension shall be exercised at the sole discretion of DHR's Director of Personnel or her designee.

To implement an extension of time for Contract years four and five, an Amendment to the Contract shall be prepared and executed by the Contractor and by DHR's Director of Personnel or her designee.

To implement an extension of time for Contract years six and seven, County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of year five or year six, as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Contract term for the following year pursuant to this Paragraph 4.2.

Any extension years shall be subject to all terms and conditions and rates quoted for each year of the term of this Contract, as set forth in Exhibit B (Price Schedule).

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option."

3. Subparagraph 8.1.5 of Paragraph 8.1 (Amendments and Change Notices) of the Contract is deleted in its entirety and replaced as follows:

"8.1.5 The DHR's Director of Personnel or designee may at his/her sole discretion authorize extensions of time as defined in Paragraph 4.0 – Term of Contract. The


Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions."

4. In the Contract, including but not limited to Exhibit B (Price Schedule), all references to "Year 5" or the fifth year of the Contract, with respect to any "Fees," "Pricing," and/or "Costs," are amended to read "Years 5, 6, and 7" and shall be deemed applicable to the fifth, sixth, and seventh years of the Contract.
5. Contractor represents and warrants that the person(s) executing this Amendment Four on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition, and obligation of this Amendment Four.
6. Except for the changes set forth hereinabove, the Contract shall not be changed in any respect by this Amendment Four. All changes set forth in this Amendment Four shall be effective upon execution and have no retroactive effect.

**IN WITNESS WHEREOF**, the Contractor has duly executed this Amendment Four to above stated Contract and the County has caused this Amendment Four to be executed on its behalf by the Department of Human Resources Director of Personnel in accordance with Subparagraph 8.1.5 of Paragraph 8.1, Amendments and Change Notices, of the Contract, the day, month and year first written above.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_



Lisa M. Garrett  
Director of Personnel  
Department of Human Resources

AMERICAN SUBSTANCE ABUSE  
PROFESSIONAL DRUG SOLUTIONS, INC.

By: \_\_\_\_\_



Title: Program Admin.

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL  
MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_

Richard D. Bloom  
Principal Deputy County Counsel

Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions."

4. In the Contract, including but not limited to Exhibit B (Price Schedule), all references to "Year 5" or the fifth year of the Contract, with respect to any "Fees," "Pricing," and/or "Costs," are amended to read "Years 5, 6, and 7" and shall be deemed applicable to the fifth, sixth, and seventh years of the Contract.
5. Contractor represents and warrants that the person(s) executing this Amendment Four on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition, and obligation of this Amendment Four.
6. Except for the changes set forth hereinabove, the Contract shall not be changed in any respect by this Amendment Four. All changes set forth in this Amendment Four shall be effective upon execution and have no retroactive effect.

**IN WITNESS WHEREOF**, the Contractor has duly executed this Amendment Four to above stated Contract and the County has caused this Amendment Four to be executed on its behalf by the Department of Human Resources Director of Personnel in accordance with Subparagraph 8.1.5 of Paragraph 8.1, Amendments and Change Notices, of the Contract, the day, month and year first written above.

COUNTY OF LOS ANGELES

AMERICAN SUBSTANCE ABUSE  
PROFESSIONAL DRUG SOLUTIONS, INC.

By: \_\_\_\_\_

Lisa M. Garrett  
Director of Personnel  
Department of Human Resources

By: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL  
MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_

  
Richard D. Bloom  
Principal Deputy County Counsel





**LISA M. GARRETT**  
DIRECTOR OF PERSONNEL

**COUNTY OF LOS ANGELES**  
**DEPARTMENT OF HUMAN RESOURCES**

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(213) 738-2211 FAX (213) 637-0821

June 15, 2018

To: Each Supervisor

From: Lisa M. Garrett  
Director of Personnel

Subject: **ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE CONTRACT EXTENSION WITH AMERICAN SUBSTANCE ABUSE PROFESSIONAL DRUG SOLUTIONS, INC.**

This memorandum is to provide advance notification to your Board that the Department of Human Resources (DHR) intends to enter into a sole source negotiation with American Substance Abuse Professional Drug Solutions, Inc. (ASAP) to extend the contract for Alcohol and Drug Testing Services (hereafter referred to as "ASAP Contract").

This notice is being sent in accordance with Board Policy 5.100, Sole Source Contracts, which requires County departments that intend to negotiate sole source contracts for Board approval to provide advance written notice to your Board at least four weeks prior to commencing the negotiations.

The current ASAP contract was executed on December 13, 2013, as the result of a competitive solicitation, and will expire on December 31, 2018. Contract services provide pre-employment, reasonable suspicion, random and follow-up drug and alcohol testing for County commercial drivers and other County employees. These contracted services were initially provided through the Chief Executive Office, Occupational Health Programs (OHP); subsequently, on March 29, 2016, the contract was transferred with OHP to the DHR.

The County currently has a master agreement for Occupational Health medical examinations and a master agreement for mobile medical examinations. Under these master agreements, five contractors provide a network of clinics for pre-placement, wellness, and periodic medical examinations, including exams for commercial drivers and potential work exposures. These master agreements expire on December 31, 2019.

Each Supervisor  
June 15, 2018  
Page 2

DHR is currently working on a solicitation for a single master agreement to procure a network of clinics to provide all the services delivered under the current contract and master agreements. Utilization of a consolidated master agreement will improve service delivery and cost efficiency. DHR intends to negotiate for optional extensions of the ASAP contract in order to align its term with the term of the OHP master agreements and allow solicitation for a consolidated master agreement.

Extension of the ASAP contract is needed to ensure service continuity pending the effective date of a consolidated master agreement. The services provided under this contract are essential in order for the County to administer drug and alcohol testing in accordance with County policy, including Board Policy 9.050 Drug Free Workplace Program, and regulatory requirements for commercial drivers issued by United States Department of Transportation (DOT), 49 CFR (Parts 40 and 382).

The Sole Source Checklist for the alcohol and drug testing contract is attached. DHR will proceed with the sole source contract negotiations in four weeks unless instructed otherwise by your Board.

Should you have any questions, please contact me at (213) 974-2406, or your staff may contact Maggie Martinez, Assistant Director at (213) 351-2921.

LMG:EP:MGM  
DRJ:MA:tdb

Attachment

c: Chief Executive Officer  
Executive Officer, Board of Supervisors

FINAL - Advance Notice of sole source - ASAP - 6-14-18

## SOLE SOURCE CHECKLIST

Department Name: Department of Human Resources

☐ New Sole Source Contract

☐ Existing Sole Source Contract      Date Sole Source Contract Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b> Identify applicable justification and provide documentation for each checked item.
	<p>➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i></p>
✓	<p>➤ Compliance with applicable statutory and/or regulatory provisions.</p> <ul style="list-style-type: none"> <li>▪ Under the master agreement for Occupational Health Medical Examinations and the master agreement for Mobile Medical Examinations (hereafter collectively referred to as "Occupational Health Medical Exam Master Agreements"), contractors provide periodic employee exams for commercial drivers and for potential work exposures (such as noise, asbestos, hazardous materials, etc.) in compliance with Federal and state regulatory requirements, as well as periodic wellness exams for positions such as Firefighter and Ocean Lifeguard pursuant to terms of a negotiated labor contract.</li> </ul> <p>These Occupational Health Medical Exam Master Agreements are set to expire on December 31, 2019.</p> <ul style="list-style-type: none"> <li>▪ The Contract for Employee Drug and Alcohol Testing Program Services/Administration with American Substance Abuse Professional Drug Solutions, Inc. (hereafter referred to as "ASAP Contract") enables the County to maintain its federally mandated employee drug and alcohol testing program for its commercial drivers. This service is critical for delivery of required alcohol and drug testing for commercial drivers in compliance with Federal Department of Transportation (DOT) regulations, including regulatory requirements for commercial drivers issued by United States Department of Transportation (DOT), 49 CFR (Parts 40 and 382), and Board Policy 9.050, Drug Free Workplace Program.</li> </ul> <p>The current ASAP Contract (executed on December 13, 2013 based on a competitive solicitation) is set to expire on December 31, 2018. If this contract is not extended, effective January 1, 2019 the County will be unable to comply with Federal DOT regulations and Board provisions.</p> <ul style="list-style-type: none"> <li>▪ During a current review being conducted of services provided to the County under contracts administered by the Department of Human Resources (DHR), Occupational Health Programs, it was determined that it would be in the County's best interest to obtain services under a single, consolidated agreement. Based on this determination, DHR will not be issuing the solicitation for a separate replacement contract for Employee Drug and Alcohol Testing Program Services/Administration. DHR is currently working on a solicitation for a single master agreement to obtain services currently provided under the ASAP Contract and the Occupational Health Medical Exam Master Agreements. Negotiating an extension of the ASAP Contract will align the expiration of the ASAP Contract and Occupational Health Medical Exam Master Agreements to allow the commencement of the consolidated master agreement to provide these mandated services.</li> </ul>

	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
✓	<p>➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.</p> <ul style="list-style-type: none"> <li>▪ As described above, an extension of the current ASAP Contract is needed to align the term of this contract with the terms of the Occupational Health Medical Exam Master Agreements so that a single solicitation may be issued for the services currently provided under the ASAP contract and the Occupational Health Medical Exam Master Agreements.</li> <li>▪ Under the ASAP Contract, the contractor provides a network of facilities for DOT-mandated drug and alcohol testing of County commercial drivers, as well as non-DOT random and reasonable suspicion drug and alcohol testing of County employees. Under the Occupational Health Medical Exam Master Agreements, a network of clinics provides pre-placement, wellness, and periodic medical examinations, including exams for commercial drivers and for potential work exposures. DHR is currently working on a solicitation for a single master agreement to procure a network of clinics to provide all the services currently delivered under these contract and master agreements. Utilization of a consolidated master agreement will improve service delivery and cost efficiency.</li> <li>▪ Extension of the ASAP Contract will align the terms of the ASAP Contract and Occupational Health Medical Exam Master Agreements to ensure service continuity while a new single master agreement is obtained. The solicitation for a single replacement master agreement will include an assessment by the County's Occupational Health Programs of all program requirements, revisions to the technical scope of work as needed, updates to service delivery options and incorporation of the use of new technology.</li> </ul>
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
✓	<p>➤ It is more cost-effective to obtain services by exercising an option under an existing contract.</p> <p>Due to the need to align the current term expirations of the above described ASAP Contract and master agreements, DHR intends to negotiate additional term options for the ASAP Contract. As a new solicitation is currently being developed that combines all ASAP Contract and Occupational Health Medical Exam Master Agreement services, it would not be efficient or cost-effective for the County to incur the expense of issuing a new solicitation for a new short-term contract for the Employee Drug and Alcohol Testing Program Services/Administration services alone, and the potential resulting need and cost to establish a new, short-term network of clinics.</p>

- |  |                                                                                                                                                                                                                                                                                                                                                                                                      |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.</p> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Chief Executive Office



Date